



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE
AUDITOR-CONTROLLER

December 16, 2013

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller *Wendy L. Watanabe*

SUBJECT: **MEASURE B SPECIAL TAX REVENUE FUND FOR TRAUMA CENTERS,
EMERGENCY MEDICAL SERVICES, AND BIOTERRORISM RESPONSE**

Section 8 of the Los Angeles County Board of Supervisors Measure B Resolution requires the County Auditor-Controller to file an annual statement of financial activity with your Board no later than January 1st of each year. Accordingly, Attachment I reflects the Statement of Financial Activity for the Health Services Measure B Special Tax Fund for the Fiscal Year (FY) ended June 30, 2013. The Statement includes a summary of the amount of funds collected and expended pursuant to Measure B.

Section 8 also requires a status of projects required or authorized to be funded pursuant to Sections 3, 6, and 7 of the Resolution. Accordingly, Attachment II presents the Status of Measure B Projects for FY 2012-13 as provided by the Department of Health Services.

If you have any questions related to the Statement of Financial Activity, please contact me, or your staff may contact Rachelle Anema at (213) 974-8327. Questions related to the Status of Measure B Projects may be directed to Johnny Wong of the Department of Health Services at (213) 240-7875.

WLW:JN:CY:JG:RA:rr

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Attachments

c: William T Fujioka, Chief Executive Officer
Sachi A. Hamai, Executive Officer, Board of Supervisors
Mitchell H. Katz, M.D., Health Services Director
Sharon Moller, Chief Deputy Assessor
Mark J. Saladino, Treasurer and Tax Collector

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Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Statement of Financial Activity
For the Fiscal Year (FY) Ended June 30, 2013

Revenues:

Voter Approved Special Taxes	\$ 269,441,185
Penalties, Interest & Costs - Delinquent Taxes	1,622,421
Interest Earnings	535,602
Total Revenues	<u>\$ 271,599,208</u>

Fiscal Year 2012-2013 Expenditures:

Services and Supplies:

Non-County Trauma Hospitals

Claims Based Expenditures FY 2011-12:

Antelope Valley Hospital	\$ 106,331	
California Hospital Medical Center	2,934,007	
Cedars-Sinai Medical Center	503,989	
Henry Mayo Newhall Memorial Hospital	-	
Long Beach Memorial Medical Center	496,430	
Northridge Hospital	656,043	
Huntington Memorial Hospital	60,308	
Providence Holy Cross Medical Center	2,431,197	
St. Francis Medical Center	1,104,457	
St. Mary Medical Center	202,618	
Ronald Reagan UCLA Medical Center	-	
Refunds for FY 2012-13	<u>(72,434) ^(a)</u>	
Total Claims Based Expenditures		\$ 8,422,946

Transitional Capacity Allowance

St. Francis Medical Center	\$ 1,240,000	
Refunds for FY 2012-13	<u>(161,850) ^(a)</u>	
Total Transitional Capacity Allowance		1,078,150

Lump-Sum Funding - Public Hospitals

Base Station:

Antelope Valley Hospital & Ronald Reagan UCLA Med. Center	\$ 1,383,576
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Direct Patient Care:

Antelope Valley Hospital & Ronald Reagan UCLA Med. Center	<u>899,428</u>	
Total Lump-Sum Funding		2,283,004 ^(b)

Total Non-County Trauma Hospitals	<u>\$ 11,784,100</u>
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Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Statement of Financial Activity
For the Fiscal Year (FY) Ended June 30, 2013

Enhanced Trauma Access			
County Fire Department - Helicopter Lease	\$	873,603	
County Fire Dept. - East SGV Paramedic Air Squad		450,000	
Sheriff's Department - Air Search and Rescue		968,251	
City of Los Angeles Fire Dept. - Trauma Air Transport		<u>233,812</u>	(c)
Total Enhanced Trauma Access	\$		2,525,666
Physicians Services for Indigent Program (PSIP)			
PSIP - Trauma	\$	4,750,000	(d)
PSIP - Emergency Room		<u>550,000</u>	(e)
Total PSIP			5,300,000
Auditor-Controller Services			<u>762,914</u>
Total Services and Supplies			\$ 20,372,680
Other Charges - Inter-Governmental Transfers (IGT):			
IGT - FY 2012-13 - Direct Patient Care	\$	12,479,176	
IGT - FY 2012-13 - Base Station		<u>3,113,046</u>	
Total IGT - FY 2012-13			<u>\$ 15,592,222</u> (f)
Total Other Charges			15,592,222
Other Financing Uses - Operating Transfers Out:			
County Hospitals			
LAC+USC Medical Center	\$	116,402,000	
Harbor-UCLA Medical Center		60,487,500	
Olive View-UCLA Medical Center		<u>38,060,500</u>	
Total County Hospitals	\$		214,950,000
Public Health - Bioterrorism			
Salaries & Employee Expenses	\$	6,757,839	
Other Operating Expenses		<u>3,408,161</u>	
Total Public Health - Bioterrorism			10,166,000
Emergency Medical Services			
Salaries & Employee Expenses	\$	1,696,673	
Other Operating Expenses		<u>59,327</u>	
Total Emergency Medical Services			<u>1,756,000</u>
Total Other Financing Uses - Operating Transfers Out			<u>226,872,000</u>
Total Fiscal Year 2012-2013 Expenditures			\$ 262,836,902

Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Statement of Financial Activity
For the Fiscal Year (FY) Ended June 30, 2013

Prior Year Expenditures:

IGT - FY 11-12, Final Installment	\$ 11,463,568
Hospital and PSIP Claims Refunds	(958,304) ^(a)
Non-County Trauma Hospitals	<u>1,700,881</u>

Total Prior Year Expenditures		<u>12,206,145</u>
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Grand Total Expenditures		\$ 275,043,047
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Excess of Expenditures over Revenues		\$ (3,443,839)
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Less: Contractual Obligations

Net Cancellations of Prior Year Commitments	12,619,922
Commitments Outstanding at Fiscal Year End	<u>(15,126,184) ^(g)</u>

Net change in Fund Balance		\$ (5,950,101)
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Available Fund Balance, July 1, 2012		<u>10,995,610</u>
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Available Fund Balance, June 30, 2013		<u><u>\$ 5,045,509</u></u>
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FOOTNOTES:

- (a) Refunds received in FY 2012-13 after a third-party payer was identified by the non-County hospitals.
- (b) Initial payments to Antelope Valley Hospital (AVH) and Ronald Reagan UCLA Medical Center (UCLA) for FY 2012-13. Final payments will be made after the unpaid claims for FY 2012-13 are finalized in FY 2013-14.
- (c) Payment for 4th Quarter will be processed awaiting invoice from the LA City Fire Dept.
- (d) Includes payments of \$2,217,185 and accrual of \$2,550,120 for pending FY 2012-13 trauma claims.
- (e) Includes payments of \$94,198 and accrual of \$455,802 for pending FY 2012-13 ER claims.
- (f) Initial Intergovernmental Transfer (IGT) to the State of California to draw down federal matching funds for payment to non-County hospitals. Final IGT will be made after the unpaid claims are finalized in FY 2013-14.
- (g) Includes the following: estimated final IGT to State of California \$12,563,441; final payments to non-County hospitals \$2,469,555 and City of LA Fire Dept. \$93,188.

Prepared By:

Los Angeles County

Department of Auditor-Controller, Accounting Division

Department of Health Services

Fiscal Services, JW/ml, 11/22/2013

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**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2013**

COUNTYWIDE SYSTEM OF TRAUMA CENTERS: \$215.0 million allocated to County hospitals; \$42.2 million allocated to non-County hospitals

County Hospitals

A total of \$214.9 million in budgeted Measure B funds was allocated for trauma and emergency care services provided by the three County hospitals to eligible indigent patients as follows:

LAC+USC Medical Center	\$114.3 million
Harbor-UCLA Medical Center	56.2 million
Olive View-UCLA Medical Center	<u>44.5 million</u>
Total	<u>\$215.0 million</u>

Status: The FY 2012-13 funds were distributed to the three County Facilities based on actual un-reimbursable costs at each hospital. On average, Measure B funding covered about 50.0% of the total unreimbursed emergency room costs for the Department.

LAC+USC Medical Center	\$116.4 million
Harbor-UCLA Medical Center	60.5 million
Olive View-UCLA Medical Center	<u>38.1 million</u>
Total	<u>\$215.0 million</u>

Non-County Hospitals

DHS exercised its delegated authority to extend the Trauma Center Service Agreement (TCSA) with twelve non-County trauma centers for another year ending on June 30, 2013. A total of \$42.2 million was allocated in Measure B budgeted funds for trauma and emergency care services provided by non-County hospitals to eligible indigent patients as follows:

Claim-Based Payments	\$ 8.5 million
Lump-Sum Patient Care Payments	27.2 million
Lump-Sum Base Station Payments	4.5 million
Transitional Capacity Allowance	<u>2.0 million</u>
Total	<u>\$42.2 million</u>

The status of these projects is as follows:

Claim-Based Payments – A total of \$8.5 million was allocated to pay medical

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2013**

claims for uninsured patients submitted by non-County trauma hospitals on a first-submitted, first-validated and paid basis, using a per diem schedule of rates as per the County's contract with these trauma hospitals.

Status: At the close of Fiscal Year 2012-13, a net total of \$8.4 million in claims had been paid to the designated non-County trauma hospitals. This included total refunds of \$0.1 million which were returned to the County, because a third-party payer was identified after County payments of the claims to the hospitals.

Lump-Sum Patient Care Payments – A total of \$27.2 million in lump-sum funding was allocated for 12 non-County trauma hospitals. Under the Trauma Center Service Agreement (TCSA), this funding will be used as an intergovernmental transfer (IGT) to draw down federal Medi-Cal matching funds for 10 non-County trauma hospitals, and also as direct payments to Antelope Valley Hospital and Ronald Reagan UCLA Medical Center (as public hospitals, Antelope Valley Hospital and Ronald Reagan UCLA Medical Center (UCLA) participate in a program that precludes them from receiving these Medi-Cal matching funds).

Status: In accordance with the State Plan Amendment (SPA) on enhanced Medi-Cal payments to private trauma hospitals (approved by the federal Centers for Medicare and Medicaid Services on March 31, 2005 and retroactive from July 1, 2003), and the agreement between the California Department of Health Care Services (DHCS) and the County, an initial installment of \$12.5 million for FY 2012-13 lump-sum patient care services was included in the intergovernmental transfer (IGT) to DHCS to draw down federal matching funds totaling \$12.5 million⁽¹⁾ to ten private hospitals, based on the applicable Federal Medical Assistance Percentage (FMAP) rate of 50%. In addition to the IGT, an initial payment of \$0.9 million for FY 2012-13 lump-sum patient care services was issued directly to Antelope Valley Hospital and Ronald Reagan UCLA Medical Center (UCLA).

At the close of FY 2012-13, the following encumbrances remained in the Measure B fund for final payment of FY 2012-13 lump-sum patient care services: Antelope Valley Hospital, \$0.4 million; Ronald Reagan UCLA Medical Center, \$0.5 million; IGT to the State of California, \$12.6 million⁽¹⁾.

Balance: \$0.3 million was unexpended and unencumbered, and remained in the Measure B fund.

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2013**

Base Station Payments - A total of \$4.5 million in lump-sum, hospital specific payments was allocated to non-County hospitals providing base station services.

Status: A total of \$3.1 million was included in the IGT to DHCS to draw down Federal matching funds, resulting in enhanced Medi-Cal payments totaling \$6.2 million⁽¹⁾ to nine private hospitals (Children's Hospital of Los Angeles did not provide base station services), based on the applicable Federal Medical Assistance Percentage (FMAP) rate of 50%.

In addition to the IGT, a payment of \$1.4 million was issued directly to Antelope Valley Hospital and Ronald Reagan UCLA Medical Center for providing base station hospital services for FY 2012-13.

Balance: None.

Transitional Capacity Allowance - A total of \$2.0 million was allocated to St. Francis Medical Center (SFMC) for the provision of emergency care to eligible indigent patients under the Trauma Center Service Augmentation Agreement (TCSAA) during the period from July 1, 2012, through June 30, 2013.

Status: At the close of FY 2012-13, a net total of \$1.1 million was paid to SFMC for services provided under the TCSAA and \$0.2 million was in encumbrance.

Balance: \$0.7 million was unexpended and unencumbered, and remained in the Measure B fund.

PHYSICIAN SERVICES FOR INDIGENTS PROGRAM: \$5.3 million allocated

The FY 2012-13 Board Adopted Final Budget included an allocation of \$5.3 million from Measure B revenues to fund private physician trauma services provided to eligible indigent patients within Los Angeles County, and private physician emergency services provided to eligible indigent patients at St. Francis Medical Center.

The status of these projects is as follows:

Status: At the close of FY 2012-13, payments totaling \$2.3 million were issued to private physicians for trauma services. The remaining \$3.0 million was established as accrued liabilities for pending trauma and emergency claims.

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2013**

TRAUMA ACCESS EXPANSION TO UNDERSERVED AREAS: \$3.5 million allocated

The FY 2012-13 Board Adopted Final Budget included \$3.5 million for expanded access to trauma services in order to maintain the infrastructure and facilitate the urgent transport of trauma patients in the Antelope Valley, East San Gabriel Valley, San Fernando Valley, and Malibu. Air transport is sometimes necessary in these areas due to distance, traffic and weather conditions, etc. The budgeted funds were allocated as follows:

LA County Fire Dept. – Helicopter Lease/Trauma Air Transport	\$0.9 million
LA County Fire Dept. – Paramedic Air Squad in E. San Gabriel Valley	0.4 million
LA County Sheriff's Dept. – Air Search and Rescue in Antelope Valley	1.0 million
LA City Fire Dept. – Trauma Air Transport in San Fernando Valley	0.3 million
Unallocated	<u>0.9 million</u>
 Total	 <u><u>\$3.5 million</u></u>

The status of these projects is as follows:

Helicopter Lease/Trauma Air Transport – A total of \$0.9 million was allocated to fund the Los Angeles County Fire Department's helicopter lease/trauma air transport costs related to the expanded 24-hour/7-day-a-week level of air ambulance services in the Antelope Valley.

Status: A total of \$0.9 million was transferred from the Measure B fund to the Los Angeles County Fire Department to cover actual costs incurred for the lease and services.

Balance: None.

Aircraft Transport Capabilities – A total of \$1.7 million was allocated for funding to Los Angeles County Fire Department, Sheriff's Department, and Los Angeles City Fire Department for providing expanded trauma and paramedic air transport services to patients for timely access to trauma care.

Status: A total of \$1.6 million was transferred from the Measure B fund to the following departments: Los Angeles County Fire Department for expanding the delivery of paramedic air squad services to East San Gabriel Valley, \$0.4 million; Sheriff's Department for the staffing and operational costs related to air search and rescue services in the Antelope Valley, \$1.0

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2013**

million; Los Angeles City Fire Department for providing trauma air transport services in the San Fernando Valley and surrounding communities, \$0.2 million.

Balance: At the close of FY 2012-13, an encumbrance balance of \$0.1 million remained in the Measure B fund for the fourth quarter payment to Los Angeles City Fire Department.

Unallocated: \$0.9 million was unexpended and unencumbered, and remained in the Measure B fund.

BIOTERRORISM RESPONSE: \$10.2 million allocated

The FY 2012-13 Board Adopted Final Budget included an allocation of \$10.2 million to support the County's Public Health programs for bioterrorism preparedness activities and addressing the medical needs of people exposed to bioterrorist or chemical attacks.

Status: A total of \$10.2 million was transferred to Public Health to cover the following actual costs incurred for the bioterrorism preparedness activities: salaries and benefits, \$7.2 million; equipment, supplies and expenses, \$3.0 million.

EMERGENCY MEDICAL SERVICES AGENCY: \$1.8 million allocated

The FY 2012-13 Board Adopted Final Budget included an allocation of \$1.8 million to support the County's Emergency Medical Services Agency for the administration and coordination of trauma and emergency services which are related to pre-hospital and hospital emergency care, including the care provided in, en route to, from or between acute care hospitals and other health care facilities.

Status: A total of \$1.8 million was transferred to the County's Emergency Medical Services Agency to cover the actual costs incurred for the administration and coordination of trauma and emergency services: salaries and benefits, \$1.7 million; equipment and supplies, \$0.1 million.

ADMINISTRATIVE COSTS: \$0.8 million allocated

The FY 2012-13 Board Adopted Final Budget included an allocation of \$0.8 million to cover the administrative costs incurred pertaining to the assessment, collection and

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2013**

accounting services for the Measure B Special Tax revenues.

Status: A total of \$0.76 million was transferred to the Auditor-Controller to cover the administrative costs associated with the assessment, collection and accounting of Measure B revenues.

Balance: \$0.04 million was unexpended and unencumbered, and remained in the Measure B fund.

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2013**

FOOTNOTES:

(1) With the approval of Federal matching funds for Initial and Final IGTs, the private trauma hospitals will receive an estimated additional \$28.1 million in supplemental Medi-Cal funding, bringing the total funding to \$56.4 million.

	<u>County IGT</u>	<u>Medi-Cal Matching Funds</u>	<u>Total Funding to Private Trauma Hospitals</u> ^(a)
Initial Transfer	\$15.6 million	\$15.6 million	\$31.2 million ^(b)
Final Transfer:	<u>12.6 million</u>	<u>12.6 million</u>	<u>25.2 million</u> ^(c)
Total	<u>\$28.2 million</u>	<u>\$28.2 million</u>	<u>\$56.4 million</u>

(a) Excludes payments to Ronald Reagan UCLA Medical Center and Antelope Valley Hospital (AVH) which are public hospitals and ineligible to receive Federal matching funds.

(b) Includes \$25.2 million for patient care services (\$12.5 million County IGT plus \$12.5 million matching funds pending approval by DHCS), and \$6.2 million for base station services (\$3.1 million County IGT plus \$3.1 million matching funds pending approval by DHCS). Applicable Federal Medical Assistance Percentage (FMAP) rate for Initial Transfer is 50%.

(c) Estimated amount to be distributed to Private Trauma Hospitals in FY 2013-14, subject to California DHCS' review and approval. Applicable FMAP rate for Final Transfer is 50%.

Prepared By:
Los Angeles County
Department of Health Services
Fiscal Services
JW/ml 11/22/2013